

UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK

IN RE BIOSCRIP, INC. SECURITIES LITIGATION

Civil Action No. 13-cv-6922-AJN

**NOTICE OF (I) PENDENCY OF CLASS ACTION, CERTIFICATION OF SETTLEMENT CLASS, AND PROPOSED SETTLEMENT; (II) SETTLEMENT FAIRNESS HEARING; AND (III) MOTION FOR AN AWARD OF ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES**

**TO:** All persons who purchased the common stock of BioScrip, Inc. ("BioScrip") during the period from November 9, 2012 through November 6, 2013, inclusive (the "Settlement Class Period"), and were damaged thereby.<sup>1</sup>

**A Federal Court authorized this Notice. This is not a solicitation from a lawyer.**

**NOTICE OF PENDENCY OF CLASS ACTION:** Please be advised that your rights may be affected by the above-captioned securities class action (the "Action") pending in the United States District Court for the Southern District of New York (the "Court").

**NOTICE OF SETTLEMENT:** Please also be advised that the Court-appointed Lead Plaintiff Fresno County Employees' Retirement Association ("Lead Plaintiff"), on behalf of itself and the Settlement Class (as defined in ¶ 23 below), has reached a proposed settlement of the Action for \$10,900,000 in cash that, if approved, will resolve all claims in the Action (the "Settlement").

**PLEASE READ THIS NOTICE CAREFULLY. This Notice explains important rights you may have, including the possible receipt of cash from the Settlement. If you are a member of the Settlement Class, your legal rights will be affected whether or not you act.**

**If you have any questions about this Notice, the proposed Settlement, or your eligibility to participate in the Settlement, please DO NOT contact the Court, BioScrip, any other Defendants in the Action, or their counsel. All questions should be directed to the Claims Administrator or Lead Counsel (see ¶ 80 below).**

1. **Description of the Action and the Settlement Class:** This Notice relates to a proposed Settlement of claims in a pending securities class action brought by investors alleging that defendant BioScrip; defendants Richard M. Smith, Hai V. Tran, Patricia Bogusz, Myron Z. Holubiak, Charlotte W. Collins, Samuel P. Frieder, David R. Hubers, Richard L. Robbins, Stuart A. Samuels, Gordon H. Woodward, and Kimberlee Seah (the "Individual Defendants"); defendants Jefferies LLC, Morgan Stanley & Co. LLC, SunTrust Robinson Humphrey, Inc., Dougherty & Company, and Noble International Investments, Inc. (the "Underwriter Defendants"); and former defendant Kohlberg & Co. LLC ("Kohlberg") (collectively, "Defendants") violated the federal securities laws by making, or controlling others who made, materially false and misleading statements and failing to disclose material facts regarding BioScrip during the Settlement Class Period. Defendants deny that they have violated the federal securities laws or any laws. Defendants have denied and continue to deny each and all of the claims and contentions alleged in the Action. Defendants also have denied and continue to deny, *inter alia*, the allegations that any of the Defendants made, knowingly or otherwise, any material misstatements or omissions. A more detailed description of the Action is set forth in paragraphs 11-22 below. The proposed Settlement, if approved by the Court, will resolve claims of the Settlement Class, as defined in paragraph 23 below.

2. **Statement of the Settlement Class's Recovery:** Subject to Court approval, Lead Plaintiff, on behalf of itself and the Settlement Class, has agreed to settle the Action in exchange for \$10,900,000 in cash (the "Settlement Amount"), which has been deposited into an escrow account. The "Net Settlement Fund" (*i.e.*, the Settlement Amount plus any and all interest earned thereon (the "Settlement Fund") less (a) any Taxes,<sup>2</sup> (b) any Notice and Administration Costs,<sup>3</sup> (c) any Litigation Expenses<sup>4</sup> awarded by

<sup>1</sup> All capitalized terms used in this Notice that are not otherwise defined herein shall have the meanings ascribed to them in the Stipulation and Agreement of Settlement dated December 18, 2015 (the "Stipulation"), which is available at [www.BioScripSecuritiesLitigation.com](http://www.BioScripSecuritiesLitigation.com).

<sup>2</sup> "Taxes" means (i) all federal, state and/or local taxes of any kind (including any interest or penalties thereon) on any income earned by the Settlement Fund; (ii) all taxes imposed on payments by the Settlement Fund, including withholding taxes; and (iii) the expenses and costs incurred by Lead Counsel in connection with determining the amount of, and paying, any taxes owed by the Settlement Fund (including, without limitation, expenses of tax attorneys and accountants).

<sup>3</sup> "Notice and Administration Costs" means the costs, fees, and expenses that are incurred by the Claims Administrator and/or Lead Counsel in connection with: (i) providing notices to the Settlement Class; and (ii) administering the Settlement, including but not limited to the Claims process, as well as the costs, fees, and expenses incurred in connection with the escrow account referenced above.

<sup>4</sup> "Litigation Expenses" means costs and expenses incurred in connection with commencing, prosecuting, and settling the Action (which may include the costs and expenses of Plaintiffs directly related to their representation of the Settlement Class), for which Lead Counsel intends to apply to the Court for reimbursement from the Settlement Fund.

the Court, and (d) any attorneys' fees awarded by the Court) will be distributed to Settlement Class Members according to a Court-approved plan of allocation. The proposed plan of allocation (the "Plan of Allocation") is set forth on pages 7-10 below.

3. **Estimate of Average Amount of Recovery Per Share:** Based on Lead Plaintiff's damages expert's estimate of the number of shares of BioScrip common stock purchased during the Settlement Class Period that may have been affected by the conduct at issue in the Action, and assuming that all Settlement Class Members elect to participate in the Settlement, the estimated average recovery (before the deduction of any Court-approved fees, expenses, and costs as described herein) is \$0.23 per affected share of BioScrip common stock.<sup>5</sup> Settlement Class Members should note, however, that the foregoing average recovery per share is only an estimate. Settlement Class Members may recover more or less than this estimated amount depending on, among other factors, when and at what prices they purchased or sold their shares and the total number of shares for which valid Claim Forms are submitted. Distributions to Settlement Class Members will be made based on the Plan of Allocation set forth herein (*see* pages 7-10 below) or such other plan of allocation as may be ordered by the Court.

4. **Average Amount of Damages Per Share:** The Parties do not agree on the average amount of damages per share that would be recoverable if Lead Plaintiff were to prevail in the Action. Among other things, Defendants do not agree with the assertion that they violated the federal securities laws or that damages were suffered by any members of the Settlement Class as a result of their conduct.

5. **Attorneys' Fees and Expenses Sought:** Plaintiffs' Counsel, which have been prosecuting the Action on a wholly contingent basis since its inception in 2013, have not received any payment of attorneys' fees for their representation of the Settlement Class and have advanced the funds to pay expenses necessarily incurred to prosecute the Action. Court-appointed Lead Counsel, Bernstein Litowitz Berger & Grossmann LLP, will apply to the Court for an award of attorneys' fees for all Plaintiffs' Counsel in an amount not to exceed 25% of the Settlement Fund. In addition, Lead Counsel will apply for reimbursement of Litigation Expenses paid or incurred in connection with the institution, prosecution, and resolution of the claims against the Defendants, in an amount not to exceed \$250,000, which may include an application for reimbursement of the reasonable costs and expenses incurred by Plaintiffs directly related to their representation of the Settlement Class. Any fees and expenses awarded by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses. If the Court approves Lead Counsel's fee and expense application, the estimated average cost per affected share of BioScrip common stock will be approximately \$0.06.

6. **Identification of Attorneys' Representatives:** Lead Plaintiff and the Settlement Class are represented by Hannah G. Ross, Esq. of Bernstein Litowitz Berger & Grossmann LLP, 1251 Avenue of the Americas, 44th Floor, New York, NY 10020, (800) 380-8496, [blbg@blbglaw.com](mailto:blbg@blbglaw.com).

7. **Reasons for the Settlement:** Lead Plaintiff's principal reason for entering into the Settlement is the substantial and immediate cash benefit for the Settlement Class without the risks and delays inherent in further litigation. Moreover, the substantial cash benefit provided by the Settlement must be considered against the significant risk that a smaller recovery – or indeed no recovery at all – might be achieved after contested motions, a trial of the Action, and the likely appeals that would follow a trial. This process could be expected to last several years. Defendants, who deny all allegations of wrongdoing or liability whatsoever, are entering into the Settlement solely to eliminate the uncertainty, burden, and expense of further protracted litigation.

| <b>SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT</b>  |   |
|--|---|
| <b>SUBMIT A CLAIM FORM POSTMARKED NO LATER THAN JULY 12, 2016.</b>   | This is the only way to be eligible to receive a payment from the Settlement Fund. If you are a Settlement Class Member and you do not exclude yourself from the Settlement Class, you will be bound by the Settlement as approved by the Court and you will give up any Released Plaintiffs' Claims (defined in ¶ 30 below) that you have against Defendants and the other Released Defendant Persons (defined in ¶ 31 below), so it is in your interest to submit a Claim Form. |
| <b>EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION SO THAT IT IS RECEIVED NO LATER THAN MAY 23, 2016.</b> | If you exclude yourself from the Settlement Class, you will not be eligible to receive any payment from the Settlement Fund. This is the only option that allows you ever to be part of any other lawsuit against any of the Defendants or the other Released Defendant Persons concerning the Released Plaintiffs' Claims.   |

<sup>5</sup> An affected share might have been traded more than once during the Settlement Class Period, and this average recovery would be the total for all purchasers of that share.

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| <b>OBJECT TO THE SETTLEMENT BY SUBMITTING A WRITTEN OBJECTION SO THAT IT IS RECEIVED NO LATER THAN MAY 23, 2016.</b>   | If you do not like the proposed Settlement, the proposed Plan of Allocation, and/or the request for attorneys' fees and reimbursement of Litigation Expenses, you may write to the Court and explain why you do not like them. You cannot object to the Settlement, the Plan of Allocation, and/or the fee and expense request unless you are a Settlement Class Member and do not exclude yourself from the Settlement Class.   |
| <b>FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS RECEIVED NO LATER THAN MAY 23, 2016, AND GO TO THE SETTLEMENT HEARING ON JUNE 13, 2016 AT 10:00 A.M.</b> | Filing a written objection and notice of intention to appear by May 23, 2016, allows you to speak in Court, at the discretion of the Court, about the fairness of the proposed Settlement, the Plan of Allocation, and/or the request for attorneys' fees and reimbursement of Litigation Expenses. If you submit a written objection, you may (but you do not have to) attend the hearing and, at the discretion of the Court, speak to the Court about your objection. |
| <b>DO NOTHING.</b>   | If you are a member of the Settlement Class and you do not submit a valid Claim Form, you will not be eligible to receive any payment from the Settlement Fund. You will, however, remain a member of the Settlement Class, which means that you give up your right to sue about the claims that are resolved by the Settlement and you will be bound by any judgments or orders entered by the Court in the Action.   |

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**WHY DID I GET THIS NOTICE?**

8. The purpose of this Notice is to inform you of the existence of this case, that it is a class action, how you might be affected, and how to exclude yourself from the Settlement Class if you wish to do so. It is also being sent to inform you of the terms of the proposed Settlement, and of a hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlement, the proposed Plan of Allocation, and the motion by Lead Counsel for an award of attorneys' fees and reimbursement of Litigation Expenses (the "Settlement Hearing"). See paragraph 70 below for details about the Settlement Hearing, including the date and location of the hearing.

9. The Court directed that this Notice be mailed to you because you or someone in your family or an investment account for which you serve as a custodian may have purchased BioScrip common stock during the Settlement Class Period. The Court has directed us to send you this Notice because, as a potential Settlement Class Member, you have a right to know about your options before the Court rules on the proposed Settlement. Additionally, you have the right to understand how this class action lawsuit may generally affect your legal rights.

10. The issuance of this Notice is not an expression of any opinion by the Court concerning the merits of any claim in the Action, and the Court still has to decide whether to approve the Settlement. If the Court approves the Settlement and a plan of allocation, then payments to Authorized Claimants will be made after any appeals are resolved and after the completion of all claims processing. Please be patient, as this process will take some time to complete.

### WHAT IS THIS CASE ABOUT?

11. This case is known as *In re BioScrip, Inc. Securities Litigation*, Civil Action No. 13-cv-6922-AJN, and the Court in charge of the case is the United States District Court for the Southern District of New York. BioScrip is a home-healthcare and pharmaceuticals company. This Action is a securities class action which alleges that Defendants violated the securities laws by engaging in two separate schemes relating to BioScrip's business. First, the Action alleges that Defendants made materially false and misleading statements and failed to disclose material facts relating to BioScrip's alleged participation in a kickback scheme concerning a drug called Exjade. Second, the Action alleges that Defendants concealed certain facts regarding the business condition and results of BioScrip's pharmacy benefit management ("PBM") business segment. The Action alleges that investors were harmed when the truth about these matters was eventually revealed and that the price of BioScrip's common stock declined precipitously as a result. Defendants deny that they have violated the federal securities laws or any laws. Defendants also have denied and continue to deny specifically each and all of the claims and contentions alleged in the Action.

12. Beginning on September 30, 2013, multiple putative securities class action complaints were filed in the Court. In accordance with the Private Securities Litigation Reform Act of 1995, 15 U.S.C. §§ 77z-1, 78u-4 (the "PSLRA"), notice to the public was issued stating the deadline by which putative class members could move the Court for appointment as lead plaintiff.

13. By Order dated December 19, 2013, the Court consolidated the related actions in the Action, appointed Fresno County Employees' Retirement Association as Lead Plaintiff for the Action, and approved Lead Plaintiff's selection of Bernstein Litowitz Berger & Grossmann LLP as Lead Counsel.

14. On February 19, 2014, Lead Plaintiff filed and served its Consolidated Class Action Complaint (the "Complaint"). In the Complaint, Lead Plaintiff and additional named plaintiff West Palm Beach Police Pension Fund asserted claims under Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 promulgated thereunder against BioScrip and certain of the Individual Defendants, and under Section 20(a) of the Exchange Act against Kohlberg and certain of the Individual Defendants. The Complaint also asserted claims under Section 11 of the Securities Act of 1933 (the "Securities Act") against BioScrip, the Individual Defendants, and the Underwriter Defendants, under Section 12(a)(2) of the Securities Act against BioScrip and the Underwriter Defendants, and under Section 15 of the Securities Act against the Individual Defendants and Kohlberg. The Complaint alleged that Defendants made, or controlled others who made, materially false and misleading statements and failed to disclose material facts about BioScrip's alleged participation in the alleged Exjade kickback scheme and about the business condition and results of BioScrip's PBM segment. The Complaint alleged that these false and misleading statements and material omissions caused the price of BioScrip common stock to be artificially inflated.

15. On April 28, 2014, Defendants filed and served their motions to dismiss the Complaint. On June 27, 2014, Lead Plaintiff filed and served its papers in opposition to the motions, and on July 28, 2014, Defendants filed and served their reply papers.

16. On March 31, 2015, the Court entered its Memorandum Decision and Order granting in part and denying in part Defendants' motions to dismiss the Complaint.<sup>6</sup>

17. On April 14, 2015, Defendants filed a motion for partial reconsideration of the Court's March 31, 2015 Memorandum Decision and Order on their motions to dismiss. On April 28, 2015, Lead Plaintiff filed and served its papers in opposition to the motion for partial reconsideration, and on May 8, 2015, Defendants filed and served their reply papers.

18. On June 5, 2015, the Court issued a Memorandum and Order denying Defendants' motion for partial reconsideration.

19. On May 21, 2015, Defendants filed their answers and affirmative defenses to the Complaint, denying any violations of the Securities Act or the Exchange Act or liability as alleged in the Complaint.

20. Discovery in the Action commenced in June 2015. Defendants have produced approximately 800,000 pages of documents, and Lead Counsel has reviewed and analyzed these documents.

21. Following extensive arm's-length negotiations, including significant mediation efforts conducted by former United States District Judge Layn Phillips in September and October 2015, the Parties reached an agreement to settle the Action in return for a cash payment of \$10,900,000 that BioScrip will pay or cause to be paid for the benefit of the Settlement Class. On December 18, 2015, the Parties entered into the Stipulation and Agreement of Settlement (the "Stipulation") setting forth the terms and conditions of the Settlement. The Stipulation can be viewed at [www.BioScripSecuritiesLitigation.com](http://www.BioScripSecuritiesLitigation.com).

22. On February 11, 2016, the Court preliminarily approved the Settlement, authorized this Notice to be disseminated to potential Settlement Class Members, and scheduled the Settlement Hearing to consider whether to grant final approval of the Settlement.

<sup>6</sup> The Court's March 31, 2015 Memorandum Decision and Order dismissed all claims asserted against Kohlberg in the Complaint.

**HOW DO I KNOW IF I AM AFFECTED BY THE SETTLEMENT?  
WHO IS INCLUDED IN THE SETTLEMENT CLASS?**

23. If you are a member of the Settlement Class, you are subject to the Settlement, unless you timely request to be excluded. The Settlement Class consists of:

all persons and entities who purchased the common stock of BioScrip during the period from November 9, 2012 through November 6, 2013, inclusive (the "Settlement Class Period"), and were damaged thereby.

Excluded from the Settlement Class are: (i) Defendants; (ii) members of the immediate families of the Individual Defendants; (iii) the subsidiaries of BioScrip, the Underwriter Defendants, and Kohlberg; (iv) any persons who served as partners, control persons, officers, and/or directors of BioScrip, the Underwriter Defendants, or Kohlberg during the Settlement Class Period and/or at any other relevant time; (v) any firm, trust, corporation, or other entity in which any Defendant has or had a controlling interest; (vi) Defendants' liability insurance carriers; and (vii) the legal representatives, heirs, successors and assigns of any such excluded party. Also excluded from the Settlement Class are any persons or entities who or which exclude themselves by submitting a request for exclusion in accordance with the requirements set forth in this Notice. *See* "What If I Do Not Want To Be A Member Of The Settlement Class? How Do I Exclude Myself?," on page 10 below.

**PLEASE NOTE: RECEIPT OF THIS NOTICE DOES NOT MEAN THAT YOU ARE A SETTLEMENT CLASS MEMBER OR THAT YOU WILL BE ENTITLED TO RECEIVE PROCEEDS FROM THE SETTLEMENT. IF YOU ARE A SETTLEMENT CLASS MEMBER AND YOU WISH TO BE ELIGIBLE TO PARTICIPATE IN THE DISTRIBUTION OF PROCEEDS FROM THE SETTLEMENT, YOU ARE REQUIRED TO SUBMIT THE CLAIM FORM THAT IS BEING DISTRIBUTED WITH THIS NOTICE AND THE REQUIRED SUPPORTING DOCUMENTATION AS SET FORTH THEREIN POSTMARKED NO LATER THAN JULY 12, 2016.**

**WHAT ARE LEAD PLAINTIFF'S REASONS FOR THE SETTLEMENT?**

24. Lead Plaintiff and Lead Counsel believe that the claims asserted against Defendants have merit. Lead Plaintiff and Lead Counsel recognize, however, the expense and length of continued proceedings necessary to pursue their claims against Defendants through trial and appeals, as well as the very substantial risks they would face in establishing liability and damages. In particular, Lead Plaintiff recognizes that Defendants have significant arguments that their alleged misstatements were not materially misleading and that, even if they made materially misleading statements, they did not do so intentionally or recklessly. Lead Plaintiff also would face challenges with respect to establishing loss causation and class-wide damages. Lead Plaintiff recognizes that Defendants have substantial arguments that the decline in BioScrip's stock price during the Settlement Class Period was not caused by revelations concerning the alleged Exjade kickback scheme or the PBM segment, and that even if some portion of the decline in BioScrip's stock price was caused by these revelations, damages were minimal. Had any of these arguments been accepted in whole or part, they could have eliminated or, at a minimum, dramatically limited any potential recovery. Further, Lead Plaintiff would have had to prevail at several stages – class certification, motion for summary judgment and trial – and if it prevailed at those stages, the appeals that were likely to follow. Moreover, there were also very real risks to recovering a judgment substantially larger than the Settlement in light of BioScrip's financial condition and limited officer and directors' insurance. Thus, there were very significant risks attendant to the continued prosecution of the Action.

25. In light of these risks, the amount of the Settlement, and the immediacy of recovery to the Settlement Class, Lead Plaintiff and Lead Counsel believe that the proposed Settlement is fair, reasonable, and adequate, and in the best interests of the Settlement Class. Lead Plaintiff and Lead Counsel believe that the Settlement provides a substantial benefit to the Settlement Class, namely \$10,900,000 in cash (less the various deductions described in this Notice), as compared to the risk that the claims in the Action would produce a smaller or no recovery after summary judgment, trial, and appeals, possibly years in the future.

26. Defendants have agreed to the Settlement solely to eliminate the burden and expense of continued litigation. Defendants deny the claims asserted against them in the Action and deny having engaged in any wrongdoing or violation of law of any kind whatsoever.

**WHAT MIGHT HAPPEN IF THERE WERE NO SETTLEMENT?**

27. If there were no Settlement and Lead Plaintiff failed to establish any essential legal or factual element of its claims against Defendants, neither Lead Plaintiff nor the other members of the Settlement Class would recover anything from Defendants. Also, if Defendants were successful in proving any of their defenses, either at summary judgment, at trial, or on appeal, the Settlement Class could recover substantially less than the amount provided in the Settlement, or nothing at all.

**HOW ARE SETTLEMENT CLASS MEMBERS AFFECTED BY THE ACTION AND THE SETTLEMENT?  
WHAT CLAIMS WILL BE RELEASED BY THE SETTLEMENT?**

28. As a Settlement Class Member, you are represented by Lead Plaintiff Fresno County Employees' Retirement Association, additional named plaintiff West Palm Beach Police Pension Fund, and Lead Counsel, unless you enter an appearance through

counsel of your own choice at your own expense. You are not required to retain your own counsel. Settlement Class Members may enter an appearance through an attorney if they so desire, but such counsel must file and serve a notice of appearance as provided in paragraphs 75 and 76 below and will be retained at the individual Settlement Class Member's expense.

29. If you are a Settlement Class Member and you do not exclude yourself from the Settlement Class, you will be bound by any orders issued by the Court. If the Settlement is approved, the Court will enter a judgment (the "Judgment"). The Judgment will dismiss with prejudice the Action against Defendants and will provide that, upon the Effective Date of the Settlement, Lead Plaintiff and each of the other Settlement Class Members, on behalf of themselves, and their respective current and future heirs, executors, administrators, predecessors, successors, attorneys, insurers, agents, and assigns, in their capacities as such, will have fully, finally, and forever compromised, settled, released, resolved, relinquished, waived, and discharged each and every Released Plaintiffs' Claim (as defined in ¶ 30 below) against the Released Defendant Persons (as defined in ¶ 31 below), and shall forever be barred and enjoined from commencing any action with respect to, instituting any action with respect to, or prosecuting any or all of the Released Plaintiffs' Claims against any of the Released Defendant Persons.

30. "Released Plaintiffs' Claims" means any and all claims, debts, demands, rights, liabilities, or causes of action (including, but not limited to, any claims for damages, interest, attorneys' fees, expert or consulting fees, and any other costs, expenses, or amounts), whether based on federal, state, local, statutory or common law or any other law, rule or regulation, whether fixed or contingent, accrued or unaccrued, liquidated or unliquidated, at law or in equity, matured or unmatured, whether individual, class or of any other description, including both known claims and Unknown Claims (i) that have been asserted in the Action against any of the Defendants, or (ii) that could have been asserted in the Action or in any forum by Lead Plaintiff and/or the Settlement Class Members or any of them, or by their heirs, agents, executors, administrators, trustees, beneficiaries, predecessors, successors, attorneys, or assigns, in their capacities as such, against any of the Released Defendant Persons, which arise out of or are related to any of the allegations, transactions, facts, matters or occurrences, representations, or omissions involved, set forth, or referred to in the Complaint (including, without limitation, those concerning (a) Exjade, (b) any government investigation concerning Exjade, and (c) BioScrip's PBM business) and that relate to the purchase or sale of BioScrip common stock during the Settlement Class Period. Released Plaintiffs' Claims do not include (i) any claims relating to the enforcement of the Settlement; (ii) any claims that are or were asserted in any ERISA or derivative actions pending or the subject of an appeal as of October 30, 2015, including but not limited to *Park Employees & Retirement Board Employees' Annuity & Benefit Fund of Chicago v. Richard M. Smith, et al.*, C.A. No. 11000-VCG (Del. Ch.); and (iii) any claims of any person or entity who or which submits a request for exclusion that is accepted by the Court.

31. "Released Defendant Persons" means Defendants and their current and former parents, affiliates and subsidiaries, all current and former officers, directors, members, agents, employees and attorneys of each of the foregoing, in their capacities as such, and all insurers (and their reinsurers), successors, predecessors, assigns and assignees of the foregoing, in their capacities as such.

32. "Unknown Claims" means any Released Plaintiffs' Claims which Lead Plaintiff or any other Settlement Class Member does not know or suspect to exist in his, her, or its favor at the time of the release of such claims, and any Released Defendants' Claims which any Defendant does not know or suspect to exist in his, her, or its favor at the time of the release of such claims, which, if known by him, her, or it, might have affected his, her, or its decision(s) with respect to this Settlement. With respect to any and all Released Claims, the Parties stipulate and agree that, upon the Effective Date of the Settlement, Lead Plaintiff and Defendants shall expressly waive, and each of the other Settlement Class Members shall be deemed to have waived, and by operation of the Judgment or the Alternate Judgment, if applicable, shall have expressly waived, any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law or foreign law, which is similar, comparable, or equivalent to California Civil Code §1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Lead Plaintiff and Defendants acknowledge, and each of the other Settlement Class Members shall be deemed by operation of law to have acknowledged, that the foregoing waiver was separately bargained for and is a key element of the Settlement.

33. The Judgment will also provide that, upon the Effective Date of the Settlement, Defendants, on behalf of themselves, and their respective current and future heirs, executors, administrators, predecessors, successors, attorneys, insurers, agents, and assigns, in their capacities as such, will have fully, finally, and forever compromised, settled, released, resolved, relinquished, waived, and discharged each and every Released Defendants' Claim (as defined in ¶ 34 below) against Lead Plaintiff and the other Released Plaintiff Persons (as defined in ¶ 35 below), and shall forever be barred and enjoined from commencing any action with respect to, instituting any action with respect to, or prosecuting any or all of the Released Defendants' Claims against any of the Released Plaintiff Persons.

34. "Released Defendants' Claims" means any and all claims, debts, demands, rights, liabilities or causes of action (including, but not limited to, any claims for damages, interest, attorneys' fees, expert or consulting fees, and any other costs, expenses, or amounts), whether based on federal, state, local, statutory or common law or any other law, rule or regulation, whether fixed or contingent, accrued or unaccrued, liquidated or unliquidated, at law or in equity, matured or unmatured, including both known and Unknown Claims, that (i) have been or could have been asserted in the Action or in any forum by the Defendants,

or any of them, or the successors and assigns of any of them, in their capacities as such, against Lead Plaintiff, Settlement Class Members, or any of their attorneys, and (ii) arise out of or relate in any way to the institution, prosecution, or Settlement of the Action. Released Defendants' Claims do not include any claims relating to the enforcement of the Settlement or any claims against any person or entity who or which submits a request for exclusion from the Settlement Class that is accepted by the Court.

35. "Released Plaintiff Persons" means Plaintiffs, all other plaintiffs in the Action, their respective attorneys, and all other Settlement Class Members, and their current and former parents, affiliates and subsidiaries, all current and former officers, directors, members, agents, employees and attorneys of each of the foregoing, in their capacities as such, and all insurers (and their reinsurers), successors, predecessors, assigns and assignees of the foregoing, in their capacities as such.

#### HOW DO I PARTICIPATE IN THE SETTLEMENT? WHAT DO I NEED TO DO?

36. To be eligible for a payment from the proceeds of the Settlement, you must be a member of the Settlement Class and you must timely complete and return the Claim Form with adequate supporting documentation **postmarked no later than July 12, 2016**. A Claim Form is included with this Notice, or you may obtain one from the website maintained by the Claims Administrator for the Settlement, [www.BioScripSecuritiesLitigation.com](http://www.BioScripSecuritiesLitigation.com), or you may request that a Claim Form be mailed to you by calling the Claims Administrator toll free at 1-866-217-4456 or by emailing the Claims Administrator at [info@BioScripSecuritiesLitigation.com](mailto:info@BioScripSecuritiesLitigation.com). Please retain all records of your ownership of and transactions in BioScrip common stock, as they may be needed to document your Claim. If you request exclusion from the Settlement Class or do not submit a timely and valid Claim Form, you will not be eligible to share in the Net Settlement Fund.

#### HOW MUCH WILL MY PAYMENT BE? WHAT IS THE PROPOSED PLAN OF ALLOCATION?

37. At this time, it is not possible to make any determination as to how much any individual Settlement Class Member may receive from the Settlement. A Claimant's recovery will depend upon several factors, including when and at what prices he, she, or it purchased or sold the shares, and the total number of shares for which valid Claim Forms are submitted.

38. As set forth above, BioScrip has agreed to pay or caused to be paid \$10.9 million to settle the Action. The Settlement Amount has been deposited into an escrow account. The Settlement Amount plus any interest earned thereon is referred to as the "Settlement Fund." If the Settlement is approved by the Court and the Effective Date occurs, the Net Settlement Fund will be distributed to Settlement Class Members who submit valid Claim Forms, in accordance with the proposed Plan of Allocation or such other plan of allocation as the Court may approve.

39. The Net Settlement Fund will not be distributed unless and until the Court has approved the Settlement and a plan of allocation, and the time for any petition for rehearing, appeal, or review, whether by certiorari or otherwise, has expired.

40. Neither Defendants nor any other person or entity that paid any portion of the Settlement Amount on their behalf are entitled to get back any portion of the Settlement Fund once the Court's order or judgment approving the Settlement becomes Final. Defendants shall not have any liability, obligation, or responsibility for the administration of the Settlement, the disbursement of the Net Settlement Fund, or the plan of allocation.

41. Approval of the Settlement is independent from approval of a plan of allocation. Any determination with respect to a plan of allocation will not affect the Settlement, if approved.

42. Unless the Court orders otherwise, any Settlement Class Member who fails to submit a Claim Form postmarked on or before July 12, 2016 shall be fully and forever barred from receiving payments pursuant to the Settlement but will in all other respects remain a Settlement Class Member and be subject to the provisions of the Stipulation, including the terms of any Judgment entered and the releases given. This means that each Settlement Class Member will release the Released Plaintiffs' Claims (as defined in ¶ 30 above) against the Released Defendant Persons (as defined in ¶ 31 above) and will be barred and enjoined from prosecuting any of the Released Plaintiffs' Claims against any of the Released Defendant Persons whether or not such Settlement Class Member submits a Claim Form.

43. Participants in and beneficiaries of a plan covered by the Employee Retirement Income Security Act of 1974 ("ERISA Plan") should NOT include any information relating to their transactions in BioScrip common stock held through the ERISA Plan in any Claim Form that they may submit in this Action. They should include ONLY those shares that they purchased outside of the ERISA Plan. Claims based on any ERISA Plan's purchases of BioScrip common stock during the Settlement Class Period may be made by the plan's trustees. To the extent any of the Defendants or any of the other persons or entities excluded from the Settlement Class are participants in the ERISA Plan, such persons or entities shall not receive, either directly or indirectly, any portion of the recovery that may be obtained from the Settlement by the ERISA Plan.

44. Each Claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to his, her, or its Claim Form. The Court has reserved jurisdiction to allow, disallow, or adjust on equitable grounds the Claim of any Settlement Class Member.

45. Only Settlement Class Members, *i.e.*, persons and entities who purchased BioScrip common stock during the Settlement Class Period and were damaged as a result of such purchases, will be eligible to share in the distribution of the Net Settlement

Fund. Persons and entities that are excluded from the Settlement Class by definition or that exclude themselves from the Settlement Class pursuant to request will not be eligible to receive a distribution from the Net Settlement Fund and should not submit Claim Forms. The only security that is included in the Settlement is BioScrip common stock.

### **PROPOSED PLAN OF ALLOCATION**

46. The objective of the Plan of Allocation is to equitably distribute the Settlement proceeds to those Settlement Class Members who suffered economic losses as a proximate result of the alleged wrongdoing. The calculations made in accordance with the Plan of Allocation are not intended to be estimates of, or indicative of, the amounts that Settlement Class Members might have been able to recover after a trial. Nor are the calculations in accordance with the Plan of Allocation intended to be estimates of the amounts that will be paid to Authorized Claimants under the Settlement. The computations under the Plan of Allocation are only a method to weigh the claims of Authorized Claimants against one another for the purpose of making *pro rata* allocations of the Net Settlement Fund.

47. In developing the Plan of Allocation, Lead Plaintiff's damages expert calculated the potential amount of estimated artificial inflation in the per share closing prices of BioScrip common stock that allegedly was proximately caused by Defendants' materially false and misleading statements and omissions. In calculating the estimated artificial inflation caused by Defendants' alleged misrepresentations and omissions, Lead Plaintiff's damages expert considered price changes in BioScrip common stock in reaction to certain public announcements regarding BioScrip in which the misrepresentations and omissions were alleged to have been revealed to the market, adjusting for price changes that were attributable to market or industry forces, the evidence developed in support of the allegations in the Complaint, and the strength of the claims.

48. For all shares purchased during the Settlement Class Period (with the exception of shares purchased in the April 18, 2013 offering of BioScrip common stock (the "April 18, 2013 Offering")), the estimated artificial inflation in BioScrip common stock is shown in Table A at the end of this Notice.

49. Under the Court's prior rulings, shares purchased in the April 18, 2013 Offering have claims related to alleged misrepresentations in the Offering Documents related to BioScrip's PBM business for which other shares (including shares purchased in the August 14, 2013 offering of BioScrip common stock) do not have claims. As a result, shares purchased in the April 18, 2013 Offering have additional inflation per share related to these additional alleged misrepresentations. The estimated artificial inflation in BioScrip common stock for shares purchased in the April 18, 2013 Offering, adjusted for price changes that were attributable to market or industry forces, the evidence developed in support of the allegations in the Complaint, and the strength of the claims, is shown in Table B at the end of this Notice.<sup>7</sup>

### **CALCULATION OF RECOGNIZED LOSS AMOUNTS**

50. Based on the formula stated below, a "Recognized Loss Amount" will be calculated for each purchase of BioScrip common stock during the Settlement Class Period that is listed on the Proof of Claim Form and for which adequate documentation is provided. If a Recognized Loss Amount calculates to a negative number under the formula below, that Recognized Loss Amount will be zero.

51. For each share of BioScrip common stock purchased from November 9, 2012 through November 6, 2013, inclusive (except shares purchased in the April 18, 2013 Offering) and:

- (a) Sold from November 9, 2012 through the close of trading on November 6, 2013, the Recognized Loss Amount will be ***the lesser of***: (i) the amount of artificial inflation per share stated in Table A on the date of purchase minus the amount of artificial inflation per share stated in Table A on the date of sale; or (ii) the purchase price minus the sale price.
- (b) Sold from November 7, 2013 through the close of trading on February 4, 2014, the Recognized Loss Amount will be ***the least of***: (i) the amount of artificial inflation per share stated in Table A on the date of purchase; (ii) the purchase price minus the sale price; or (iii) the purchase price minus the average closing price between November 7, 2013 and the date of sale stated in Table C at the end of this Notice.
- (c) Held as of the close of trading on February 4, 2014, the Recognized Loss Amount will be ***the lesser of***: (i) the amount of artificial inflation per share stated in Table A on the date of purchase; or (ii) the purchase price minus \$6.99, the average closing price for BioScrip common stock between November 7, 2013 and February 4, 2014 (the last entry on Table C).<sup>8</sup>

<sup>7</sup> More specifically, shares purchased in the April 18, 2013 Offering have additional inflation (over and above the inflation for all other shares purchased during the Settlement Class Period) resulting from the alleged corrective disclosure that occurred after the close of trading on August 7, 2013.

<sup>8</sup> Under Section 21(D)(e)(1) of the Exchange Act, "in any private action arising under this Act in which the plaintiff seeks to establish damages by reference to the market price of a security, the award of damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price of that security during the 90-day period beginning on the date on which the information correcting the misstatement



52. For each share of BioScrip common stock purchased in the April 18, 2013 Offering and:
- (a) Sold from April 18, 2013 through the close of trading on November 6, 2013, the Recognized Loss Amount will be *the lesser of*: (i) \$2.99 (the amount of artificial inflation per share on April 18, 2013) minus the amount of artificial inflation per share stated in Table B on the date of the sale; or (ii) \$12.00 (the Offering Price) minus the sale price.
  - (b) Held as of the close of trading on November 6, 2013, the Recognized Loss Amount will be \$2.99 (the amount of artificial inflation per share on April 18, 2013).

#### ADDITIONAL PROVISIONS

53. The Net Settlement Fund will be allocated among all Authorized Claimants whose Distribution Amount (defined in paragraph 56 below) is \$10.00 or greater.

54. If a Settlement Class Member has more than one purchase or sale of BioScrip common stock, purchases and sales will be matched on a First In, First Out (“FIFO”) basis. Settlement Class Period sales will be matched first against any holdings at the beginning of the Settlement Class Period, and then against purchases in chronological order, beginning with the earliest purchase made during the Settlement Class Period.

55. A Claimant’s “Recognized Claim” under the Plan of Allocation will be the sum of his, her, or its Recognized Loss Amounts.

56. The Net Settlement Fund will be distributed to Authorized Claimants on a *pro rata* basis based on the relative size of their Recognized Claims. Specifically, a “Distribution Amount” will be calculated for each Authorized Claimant, which will be the Authorized Claimant’s Recognized Claim divided by the total Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund. If any Authorized Claimant’s Distribution Amount calculates to less than \$10.00, it will not be included in the calculation and no distribution will be made to that Authorized Claimant.

57. Purchases and sales of BioScrip common stock will be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date. The receipt or grant by gift, inheritance, or operation of law of BioScrip common stock during the Settlement Class Period will not be deemed a purchase or sale of BioScrip common stock for the calculation of an Authorized Claimant’s Recognized Loss Amount, nor will the receipt or grant be deemed an assignment of any claim relating to the purchase of BioScrip common stock unless (i) the donor or decedent purchased the shares during the Settlement Class Period; (ii) no Claim Form was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to those shares; and (iii) it is specifically so provided in the instrument of gift or assignment.

58. The date of covering a “short sale” is deemed to be the date of purchase of the BioScrip common stock. The date of a “short sale” is deemed to be the date of sale of BioScrip common stock. Under the Plan of Allocation, however, the Recognized Loss Amount on “short sales” is zero. In the event that a Claimant has an opening short position in BioScrip common stock, his, her, or its earliest Settlement Class Period purchases of BioScrip common stock will be matched against the opening short position, and not be entitled to a recovery, until that short position is fully covered.

59. Option contracts are not securities eligible to participate in the Settlement. With respect to shares of BioScrip common stock purchased or sold through the exercise of an option, the purchase/sale date of the BioScrip common stock is the exercise date of the option and the purchase/sale price of the BioScrip common stock is the exercise price of the option.

60. If a Claimant had a market gain with respect to his, her, or its overall transactions in BioScrip common stock during the Settlement Class Period, the value of the Claimant’s Recognized Claim will be zero, and the Claimant will in any event be bound by the Settlement. If a Claimant suffered an overall market loss with respect to his, her, or its overall transactions in BioScrip common stock during the Settlement Class Period but that market loss was less than the Claimant’s total Recognized Claim calculated above, then the Claimant’s Recognized Claim will be limited to the amount of the actual market loss.

61. For purposes of determining whether a Claimant had a market gain with respect to his, her, or its overall transactions in BioScrip common stock during the Settlement Class Period or suffered a market loss, the Claims Administrator will determine the difference between (i) the Total Purchase Amount<sup>9</sup> and (ii) the sum of the Total Sales Proceeds<sup>10</sup> and Holding Value.<sup>11</sup> This

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or omission that is the basis for the action is disseminated to the market.” Consistent with the requirements of the statute, Recognized Loss Amounts are reduced to an appropriate extent by taking into account the closing prices of BioScrip common stock during the 90-day look-back period. The mean (average) closing price for BioScrip common stock during this 90-day look-back period was \$6.99.

<sup>9</sup> The “Total Purchase Amount” is the total amount the Claimant paid (excluding commissions and other charges) for BioScrip common stock purchased during the Settlement Class Period.

<sup>10</sup> The Claims Administrator will match any sales of BioScrip common stock during the Settlement Class Period first against the Claimant’s opening position (the proceeds of those sales will not be considered for purposes of calculating market gains or losses). The total amount received (excluding commissions and other charges) for the remaining sales of BioScrip common stock sold during the Settlement Class Period will be the “Total Sales Proceeds”.

difference will be deemed a Claimant's market gain or loss with respect to his, her, or its overall transactions in BioScrip common stock during the Settlement Class Period.

62. After the initial distribution of the Net Settlement Fund, the Claims Administrator will make reasonable and diligent efforts to have Authorized Claimants cash their distribution checks. To the extent any monies remain in the fund nine (9) months after the initial distribution, if Lead Counsel, in consultation with the Claims Administrator, determines that it is cost-effective to do so, the Claims Administrator will conduct a re-distribution of the funds remaining after payment of any unpaid fees and expenses incurred in administering the Settlement, including for such re-distribution, to Authorized Claimants who have cashed their initial distributions and who would receive at least \$10.00 from such re-distribution. Additional re-distributions to Authorized Claimants who have cashed their prior checks and who would receive at least \$10.00 on such additional re-distributions may occur thereafter if Lead Counsel, in consultation with the Claims Administrator, determines that additional re-distributions, after the deduction of any additional fees and expenses incurred in administering the Settlement, including for such re-distributions, would be cost-effective. At such time as it is determined that the re-distribution of funds remaining in the Net Settlement Fund is not cost-effective, the remaining balance shall be contributed to non-sectarian, not-for-profit organization(s), to be recommended by Lead Counsel and approved by the Court.

63. Payment pursuant to the Plan of Allocation, or such other plan of allocation as may be approved by the Court, shall be conclusive against all Authorized Claimants. No person shall have any claim against Lead Plaintiff, Plaintiffs' Counsel, Lead Plaintiff's damages expert, Defendants, Defendants' Counsel, or any of the other Released Plaintiff Persons or Released Defendant Persons, or the Claims Administrator or other agent designated by Lead Counsel arising from distributions made substantially in accordance with the Stipulation, the plan of allocation approved by the Court, or further Orders of the Court. Lead Plaintiff, Defendants and their respective counsel, and all other Released Defendant Persons, shall have no responsibility or liability whatsoever for the investment or distribution of the Settlement Fund or the Net Settlement Fund; the plan of allocation; the determination, administration, calculation, or payment of any Claim Form or nonperformance of the Claims Administrator; the payment or withholding of Taxes; or any losses incurred in connection therewith.

64. The Plan of Allocation set forth herein is the plan that is being proposed to the Court for its approval by Lead Plaintiff after consultation with its damages expert. The Court may approve this plan as proposed or it may modify the Plan of Allocation without further notice to the Settlement Class. Any Orders regarding any modification of the Plan of Allocation will be posted on the settlement website, [www.BioScripSecuritiesLitigation.com](http://www.BioScripSecuritiesLitigation.com).

**WHAT PAYMENT ARE THE ATTORNEYS FOR THE SETTLEMENT CLASS SEEKING?  
HOW WILL THE LAWYERS BE PAID?**

65. Plaintiffs' Counsel have not received any payment for their services in pursuing claims against the Defendants on behalf of the Settlement Class, nor have Plaintiffs' Counsel been reimbursed for their out-of-pocket expenses incurred in the prosecution of this Action. Before final approval of the Settlement, Lead Counsel will apply to the Court for an award of attorneys' fees for all Plaintiffs' Counsel in an amount not to exceed 25% of the Settlement Fund. At the same time, Lead Counsel also intends to apply for reimbursement of Litigation Expenses in an amount not to exceed \$250,000, which may include an application for reimbursement of the reasonable costs and expenses incurred by Plaintiffs directly related to their representation of the Settlement Class. The Court will determine the amount of any award of attorneys' fees or reimbursement of Litigation Expenses. Such sums as may be approved by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses.

**WHAT IF I DO NOT WANT TO BE A MEMBER OF THE SETTLEMENT CLASS?  
HOW DO I EXCLUDE MYSELF?**

66. Each Settlement Class Member will be bound by all determinations and judgments in this lawsuit, whether favorable or unfavorable, unless such person or entity mails or delivers a written Request for Exclusion from the Settlement Class addressed to *In re BioScrip, Inc. Securities Litigation*, EXCLUSIONS, c/o A.B. Data, Ltd., P.O. Box 173004, Milwaukee, WI 53217. The exclusion request must be **received no later than May 23, 2016**. You will not be able to exclude yourself from the Settlement Class after that date. Each Request for Exclusion must: (a) state the name, address, and telephone number of the person or entity requesting exclusion, and in the case of entities, the name and telephone number of the appropriate contact person; (b) state that such person or entity "requests exclusion from the Settlement Class in *In re BioScrip, Inc. Securities Litigation*, No. 13-cv-6922 (AJN)"; (c) state the number of shares of BioScrip common stock that the person or entity requesting exclusion purchased and/or sold during the Settlement Class Period (*i.e.*, from November 9, 2012 through November 6, 2013, inclusive), as well as the dates and prices of each such purchase and sale; and (d) be signed by the person or entity requesting exclusion or an authorized representative. A Request for Exclusion shall not be valid and effective unless it provides all the information called for in this paragraph and is received within the time stated above, or is otherwise accepted by the Court.

<sup>11</sup> The Claims Administrator will ascribe a value of \$5.65 per share for BioScrip common stock purchased during the Settlement Class Period and still held as of the close of trading on November 6, 2013 (the "Holding Value").

67. If you do not want to be part of the Settlement Class, you must follow these instructions for exclusion even if you have pending, or later file, another lawsuit, arbitration, or other proceeding relating to any Released Plaintiffs' Claim against any of the Released Defendant Persons.

68. If you ask to be excluded from the Settlement Class, you will not be eligible to receive any payment out of the Net Settlement Fund.

69. Defendants have the right to terminate the Settlement if valid requests for exclusion are received from persons and entities entitled to be members of the Settlement Class in an amount that exceeds an amount agreed to by Lead Plaintiff and Defendants.

**WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT?  
DO I HAVE TO COME TO THE HEARING?  
MAY I SPEAK AT THE HEARING IF I DON'T LIKE THE SETTLEMENT?**

70. The Settlement Hearing will be held on June 13, 2016 at 10:00 a.m., before the Honorable Alison J. Nathan at the United States District Court for the Southern District of New York, Thurgood Marshall United States Courthouse, Courtroom 906, 40 Foley Square, New York, NY 10007. The Court reserves the right to approve the Settlement, the Plan of Allocation, Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses and/or any other matter related to the Settlement at or after the Settlement Hearing without further notice to the members of the Settlement Class.

**71. Settlement Class Members do not need to attend the Settlement Hearing. The Court will consider any submission made in accordance with the provisions below even if a Settlement Class Member does not attend the hearing. Participation in the Settlement is not conditioned on attendance at the Settlement Hearing.**

72. Any Settlement Class Member who or which does not request exclusion may object to the Settlement, the proposed Plan of Allocation, or Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses. Objections must be in writing. You must file any written objection, together with copies of all other papers and briefs supporting the objection, with the Clerk's Office at the United States District Court for the Southern District of New York at the address set forth below on or before May 23, 2016. You must also serve the papers on Lead Counsel and on representative Defendants' Counsel at the addresses set forth below so that the papers are *received on or before May 23, 2016*.

**Clerk's Office**

United States District Court  
Southern District of New York  
Clerk of the Court  
Thurgood Marshall  
United States Courthouse  
40 Foley Square  
New York, NY 10007

**Lead Counsel**

**Bernstein Litowitz Berger &  
Grossmann LLP**  
Hannah G. Ross, Esq.  
1251 Avenue of the Americas,  
44th Floor  
New York, NY 10020

**Representative Defendants' Counsel**

**Kirkland & Ellis LLP**  
Shireen A. Barday, Esq.  
601 Lexington Avenue  
New York, NY 10022

73. Any objection: (a) must state the name, address, and telephone number of the person or entity objecting and must be signed by the objector; (b) must contain a statement of the Settlement Class Member's objection or objections, and the specific reasons for each objection, including any legal and evidentiary support the Settlement Class Member wishes to bring to the Court's attention; and (c) must include documents sufficient to prove membership in the Settlement Class, including the number of shares of BioScrip common stock that the objecting Settlement Class Member purchased and/or sold during the Settlement Class Period (*i.e.*, from November 9, 2012 through November 6, 2013, inclusive), as well as the dates and prices of each such purchase and sale. Documents sufficient to prove membership in the Settlement Class include brokerage statements, confirmation slips, or authorized statements from a broker containing the transaction and holding information found in a confirmation slip or account statement. You may not object to the Settlement, the Plan of Allocation, or Lead Counsel's motion for attorneys' fees and reimbursement of Litigation Expenses if you exclude yourself from the Settlement Class or if you are not a member of the Settlement Class.

74. You may file a written objection without having to appear at the Settlement Hearing. You may not, however, appear at the Settlement Hearing to present your objection unless you first file and serve a written objection in accordance with the procedures described above, unless the Court orders otherwise.

75. If you wish to be heard orally at the hearing in opposition to the approval of the Settlement, the Plan of Allocation, or Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses, and if you timely file and serve a written objection as described above, you must also file a notice of appearance with the Clerk's Office and serve it on Lead Counsel and Defendants' Counsel at the addresses set forth above so that it is *received on or before May 23, 2016*. Persons who intend to object and desire to present evidence at the Settlement Hearing must include in their written objection or notice of appearance the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the hearing. Such persons may be heard orally at the discretion of the Court.

76. You are not required to hire an attorney to represent you in making written objections or in appearing at the Settlement Hearing. However, if you decide to hire an attorney, it will be at your own expense, and that attorney must file a notice of appearance with the Court and serve it on Lead Counsel and representative Defendants' Counsel at the addresses set forth in ¶ 72 above so that the notice is *received on or before May 23, 2016*.

77. The Settlement Hearing may be adjourned by the Court without further written notice to the Settlement Class. If you plan to attend the Settlement Hearing, you should confirm the date and time with Lead Counsel.

78. **Unless the Court orders otherwise, any Settlement Class Member who does not object in the manner described above will be deemed to have waived any objection and shall be forever foreclosed from making any objection to the proposed Settlement, the proposed Plan of Allocation, or Lead Counsel's motion for an award of attorneys' fees and reimbursement of Litigation Expenses. Settlement Class Members do not need to appear at the Settlement Hearing or take any other action to indicate their approval.**

**WHAT IF I BOUGHT SHARES ON BEHALF OF SOMEONE ELSE?**

79. If you purchased BioScrip common stock from November 9, 2012 through November 6, 2013, inclusive, for the beneficial interest of persons or organizations other than yourself, you must either: (a) within seven (7) calendar days of receipt of this Notice, request from the Claims Administrator sufficient copies of the Notice and Claim Form (the "Notice Packet") to forward to all such beneficial owners and within seven (7) calendar days of receipt of those Notice Packets forward them to all such beneficial owners; or (b) within seven (7) calendar days of receipt of this Notice, provide a list of the names and addresses of all such beneficial owners to *In re BioScrip, Inc. Securities Litigation*, Attn: Fulfillment Department, c/o A.B. Data, Ltd., 3410 West Hopkins Street, P.O. Box 173004, Milwaukee, WI 53217. If you choose the second option, the Claims Administrator will send a copy of the Notice Packet to the beneficial owners. Upon full compliance with these directions, such nominees may seek reimbursement of their reasonable expenses actually incurred, by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought. Copies of this Notice and the Claim Form may also be obtained from the website maintained by the Claims Administrator, [www.BioScripSecuritiesLitigation.com](http://www.BioScripSecuritiesLitigation.com), by calling the Claims Administrator toll-free at 1-866-217-4456, or by emailing the Claims Administrator at [info@BioScripSecuritiesLitigation.com](mailto:info@BioScripSecuritiesLitigation.com).

**CAN I SEE THE COURT FILE? WHOM SHOULD I CONTACT IF I HAVE QUESTIONS OR WOULD LIKE ADDITIONAL INFORMATION?**

80. This Notice contains only a summary of the terms of the proposed Settlement. For more detailed information about the matters involved in this Action, you are referred to the papers on file in the Action, including the Stipulation, which may be inspected during regular office hours at the Office of the Clerk, United States District Court for the Southern District of New York, Thurgood Marshall United States Courthouse, 40 Foley Square, New York, NY 10007. Additionally, copies of the Stipulation, this Notice, the Claim Form, the proposed Judgment, and any related orders entered by the Court will be posted on the website maintained by the Claims Administrator, [www.BioScripSecuritiesLitigation.com](http://www.BioScripSecuritiesLitigation.com).

All inquiries concerning this Notice and the Claim Form, or requests for additional information, should be directed to:

*In re BioScrip, Inc. Securities Litigation*  
c/o A.B. Data, Ltd.  
P.O. Box 173004  
Milwaukee, WI 53217  
866-217-4456  
Email: [info@BioScripSecuritiesLitigation.com](mailto:info@BioScripSecuritiesLitigation.com)  
[www.BioScripSecuritiesLitigation.com](http://www.BioScripSecuritiesLitigation.com)

and/or

Hannah G. Ross, Esq.  
BERNSTEIN LITOWITZ BERGER  
& GROSSMANN LLP  
1251 Avenue of the Americas,  
44th Floor  
New York, NY 10020  
(800) 380-8496  
[blbg@blbglaw.com](mailto:blbg@blbglaw.com)

**DO NOT CALL OR WRITE THE COURT, THE OFFICE OF THE CLERK OF THE COURT, DEFENDANTS, OR THEIR COUNSEL REGARDING THIS NOTICE.**

Dated: March 14, 2016

By Order of the Court  
United States District Court  
Southern District of New York

**TABLE A**

**Alleged Purchase and Sale Inflation for All Purchases Except Shares Purchased in the April 18, 2013 Offering, to be used solely to determine the allocation of the Net Settlement Fund**

| <b>Transaction Date</b>               | <b>Inflation Per Share</b> |
|---------------------------------------|----------------------------|
| November 9, 2012 – September 22, 2013 | \$1.39                     |
| September 23, 2013 – November 6, 2013 | \$0.77                     |

**TABLE B**

**Alleged Sale Inflation for Shares Purchased in the April 18, 2013 Offering, to be used solely to determine the allocation of the Net Settlement Fund**

| <b>Transaction Date</b>               | <b>Inflation Per Share</b> |
|---------------------------------------|----------------------------|
| April 18, 2013 – August 7, 2013       | \$2.99                     |
| August 8, 2013 – September 22, 2013   | \$1.39                     |
| September 23, 2013 – November 6, 2013 | \$0.77                     |

**TABLE C**

**BioScrip Closing Price and Average Closing Price  
November 7, 2013 – February 4, 2014**

| <b>Date</b> | <b>Closing Price</b> | <b>Average Closing Price Between November 7, 2013 and Date Shown</b> |
|-------------|----------------------|--|
| 11/7/2013   | \$5.65               | \$5.65   |
| 11/8/2013   | \$6.14               | \$5.90   |
| 11/11/2013  | \$6.05               | \$5.95   |
| 11/12/2013  | \$5.99               | \$5.96   |
| 11/13/2013  | \$5.77               | \$5.92   |
| 11/14/2013  | \$5.79               | \$5.90   |
| 11/15/2013  | \$5.86               | \$5.89   |
| 11/18/2013  | \$5.76               | \$5.88   |
| 11/19/2013  | \$5.67               | \$5.85   |
| 11/20/2013  | \$5.85               | \$5.85   |
| 11/21/2013  | \$6.03               | \$5.87   |
| 11/22/2013  | \$5.95               | \$5.88   |
| 11/25/2013  | \$5.86               | \$5.87   |
| 11/26/2013  | \$5.90               | \$5.88   |
| 11/27/2013  | \$6.92               | \$5.95   |
| 11/29/2013  | \$6.81               | \$6.00   |
| 12/2/2013   | \$6.54               | \$6.03   |
| 12/3/2013   | \$6.36               | \$6.05   |
| 12/4/2013   | \$6.26               | \$6.06   |
| 12/5/2013   | \$6.35               | \$6.08   |
| 12/6/2013   | \$6.45               | \$6.09   |
| 12/9/2013   | \$6.35               | \$6.11   |
| 12/10/2013  | \$6.42               | \$6.12   |
| 12/11/2013  | \$6.38               | \$6.13   |
| 12/12/2013  | \$6.57               | \$6.15   |
| 12/13/2013  | \$6.53               | \$6.16   |
| 12/16/2013  | \$6.54               | \$6.18   |
| 12/17/2013  | \$7.12               | \$6.21   |
| 12/18/2013  | \$7.03               | \$6.24   |
| 12/19/2013  | \$7.39               | \$6.28   |
| 12/20/2013  | \$7.19               | \$6.31   |
| 12/23/2013  | \$7.46               | \$6.34   |
| 12/24/2013  | \$7.26               | \$6.37   |
| 12/26/2013  | \$7.09               | \$6.39   |

| <b>Date</b> | <b>Closing Price</b> | <b>Average Closing Price Between November 7, 2013 and Date Shown</b> |
|-------------|----------------------|--|
| 12/27/2013  | \$7.15               | \$6.41   |
| 12/30/2013  | \$7.27               | \$6.44   |
| 12/31/2013  | \$7.40               | \$6.46   |
| 1/2/2014    | \$7.29               | \$6.48   |
| 1/3/2014    | \$7.34               | \$6.51   |
| 1/6/2014    | \$7.03               | \$6.52   |
| 1/7/2014    | \$7.11               | \$6.53   |
| 1/8/2014    | \$7.36               | \$6.55   |
| 1/9/2014    | \$7.43               | \$6.57   |
| 1/10/2014   | \$7.52               | \$6.60   |
| 1/13/2014   | \$7.66               | \$6.62   |
| 1/14/2014   | \$7.57               | \$6.64   |
| 1/15/2014   | \$7.66               | \$6.66   |
| 1/16/2014   | \$7.61               | \$6.68   |
| 1/17/2014   | \$7.54               | \$6.70   |
| 1/21/2014   | \$8.26               | \$6.73   |
| 1/22/2014   | \$8.11               | \$6.76   |
| 1/23/2014   | \$8.39               | \$6.79   |
| 1/24/2014   | \$8.27               | \$6.82   |
| 1/27/2014   | \$8.11               | \$6.84   |
| 1/28/2014   | \$8.24               | \$6.87   |
| 1/29/2014   | \$8.25               | \$6.89   |
| 1/30/2014   | \$8.55               | \$6.92   |
| 1/31/2014   | \$8.51               | \$6.95   |
| 2/3/2014    | \$8.51               | \$6.97   |
| 2/4/2014    | \$8.18               | \$6.99   |